

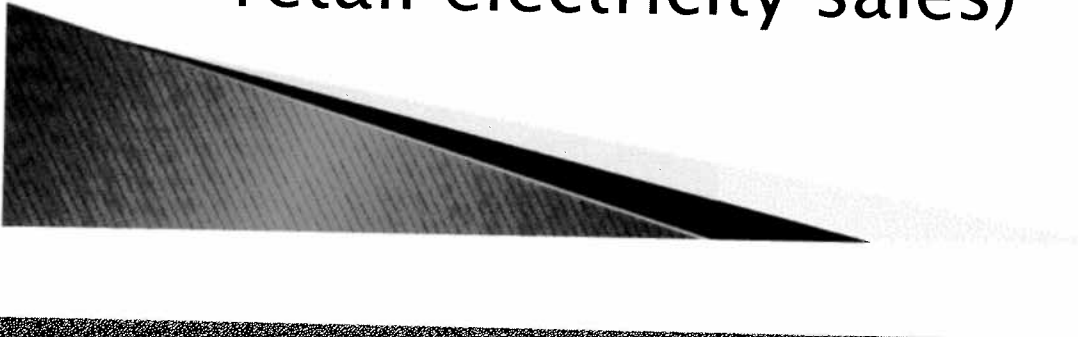
House Energy & Technology PA 286 of 2008

Jim Weeks, Executive Director
Michigan Municipal Electric Association



May 7, 2013

Michigan “Public Power”

- ▶ Michigan has 41 municipally-owned electric utility systems. All are members of MMEA.
 - ▶ Range in size from a small village of less than 200 customers (Daggett) to the Lansing Board of Water and Light with almost 100,000 customers
 - ▶ Total aggregate annual retail electricity sales to public power customers in Michigan in 2011 was approximately 7.6 billion KWh (or about 8% of the State’s total retail electricity sales)
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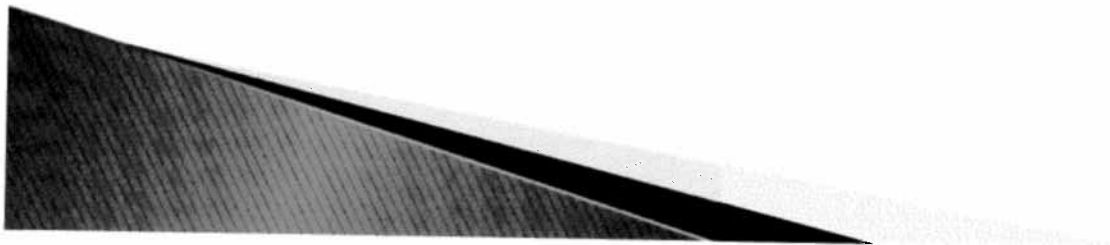
MMEA Members

- ▶ *Baraga*
 - ▶ *Bay City*
 - ▶ *Charlevoix*
 - ▶ *Chelsea*
 - ▶ *Clinton*
 - ▶ *Coldwater*
 - ▶ *Croswell*
 - ▶ *Crystal Falls*
 - ▶ *Daggett*
 - ▶ *Detroit*
 - ▶ *Dowagiac*
 - ▶ *Eaton Rapids*
 - ▶ *Escanaba*
 - ▶ *Gladstone*
 - ▶ *Grand Haven*
 - ▶ *Harbor Springs*
 - ▶ *Hart*
 - ▶ *Hillsdale*
 - ▶ *Holland*
 - ▶ *L'Anse*
 - ▶ *Lansing*
 - ▶ *Lowell*
 - ▶ *Marquette*
 - ▶ *Marshall*
 - ▶ *Negaunee*
 - ▶ *Newberry*
 - ▶ *Niles*
 - ▶ *Norway*
 - ▶ *Paw Paw*
 - ▶ *Petoskey*
 - ▶ *Portland*
 - ▶ *St. Louis*
 - ▶ *Sebewaing*
 - ▶ *South Haven*
 - ▶ *Stephenson*
 - ▶ *Sturgis*
 - ▶ *Traverse City*
 - ▶ *Union City*
 - ▶ *Wakefield*
 - ▶ *Wyandotte*
 - ▶ *Zeeland*
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MI Constitution 1963 Art. VII

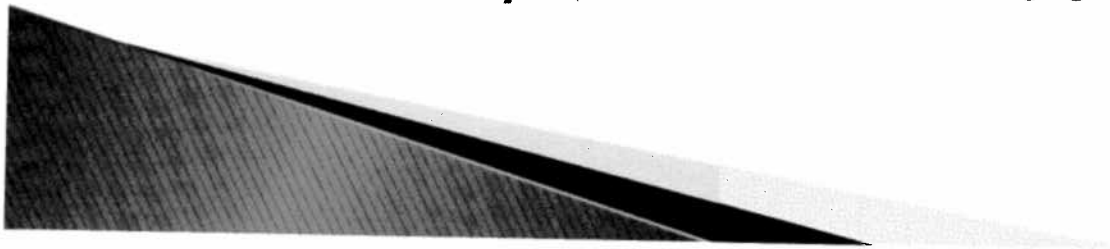
Sec. 24

- ▶ “. . . Any city or village may acquire, own or operate, within or without its corporate limits, public service facilities for supplying water, light, heat, power, . . .”
- ▶ Service without corporate limits allowed up to 25% of that furnished within or greater amounts allowed by law.



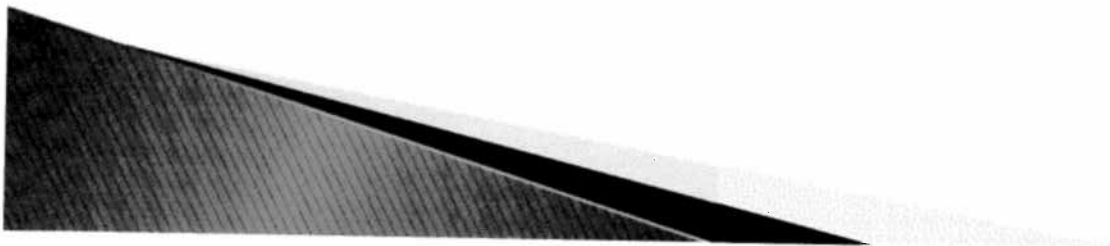
Municipal Characteristics/Controlling Authorities

- ▶ Not-for-Profit Load Serving Entities
w/Obligation to Provide Customers
w/Reliable, Affordable, and Environmental
Friendly Electricity
- ▶ Regulated Locally by Governing Bodies
Made up of Voted or Appointed Members
- ▶ Michigan Constitution Art. VII, Sec. 24
- ▶ Michigan Statute MCLs 124.3, 117.4f &
460.10y (PA 286 of 2008)



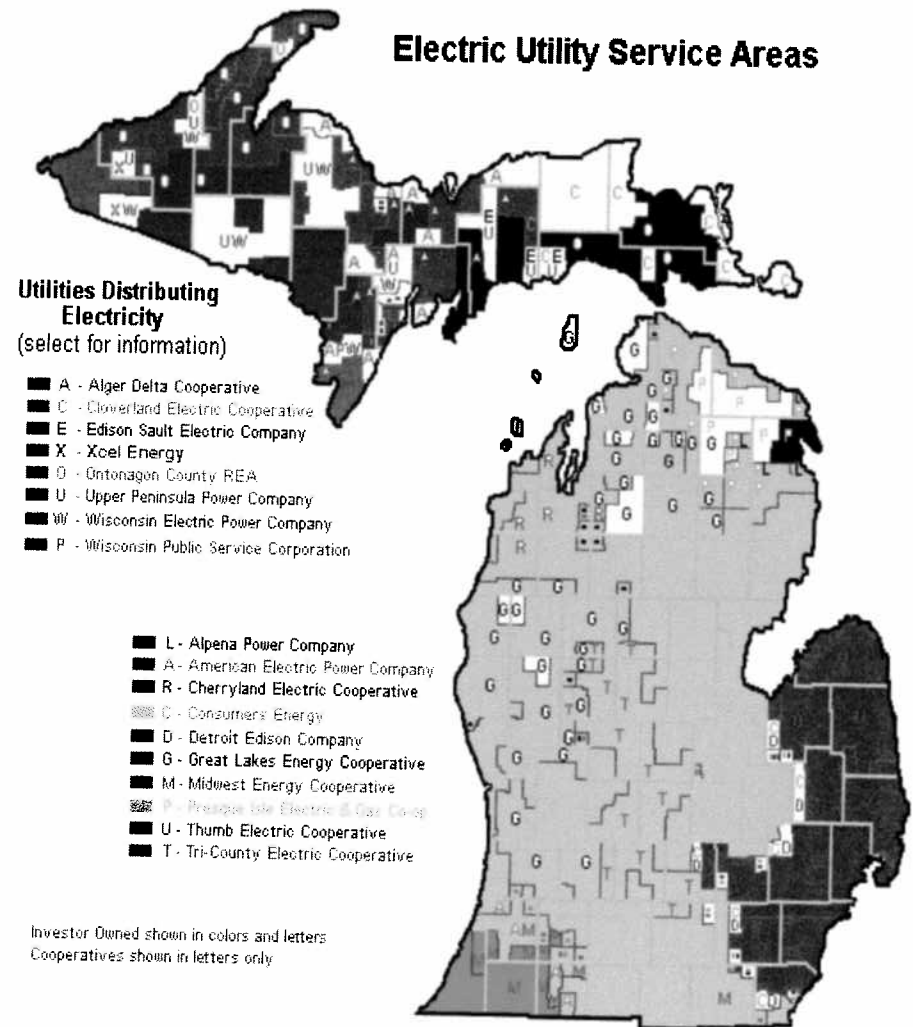
2008 PA 286 MCL 10Y.(1)

- ▶ Sec. 10y. (1) The governing body of a municipally owned utility shall determine whether it will permit retail customers receiving delivery service from the municipally owned utility the opportunity of choosing an alternative electric supplier, subject to the implementation of rates, charges, terms, and conditions referred to in subsection (5).



Where “Public Power” Serves

- ▶ 12 municipal electric systems are located in Michigan’s Upper Peninsula
- ▶ 20 municipal utilities within the Consumers Energy service territory
- ▶ 4 in the Detroit Edison footprint
- ▶ 5 are located in the south-western lower peninsula in the service territory of Indiana Michigan Power (AEP)



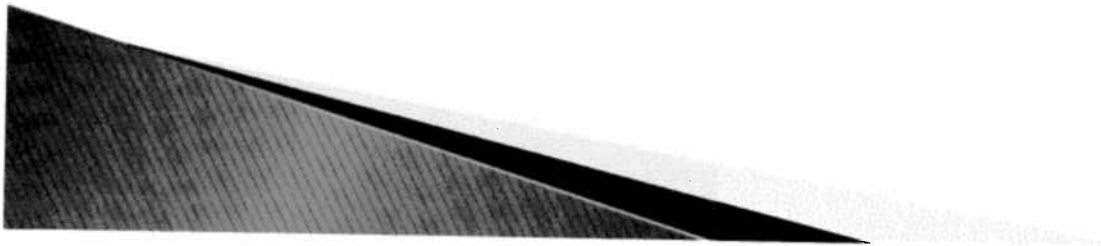
Joint Action Agencies

- ▶ PA 448 of 1976, as amended, allows the formation of **Joint Action Agencies (JAAs)** where municipal electric utilities can work jointly to *“acquire, finance, maintain, and operate generating, transmission, and distribution facilities of electric power, fuel and energy reserves and all necessary related properties, equipment, and facilities;”*
- ▶ Three JAAs are currently serving Michigan’s municipal electric utilities:

MI Public Power Agency (MPPA) – 17 members

MI South Central Power Agency (MSCPA) – 5 members

WPPI Energy (WPPI Energy) – 6 members in UP



Holland Board of Public Works

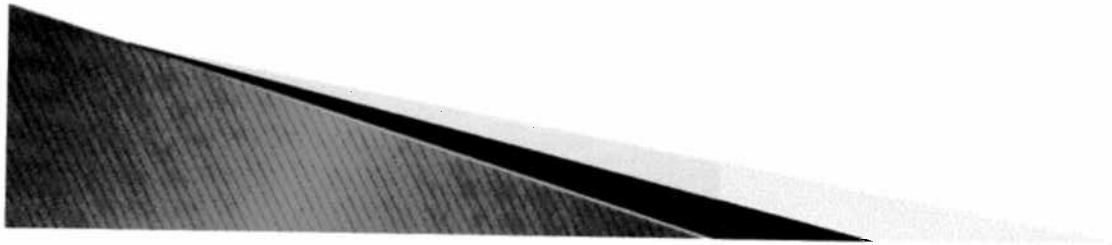
- ▶ Michigan's second largest municipally owned electric utility
- ▶ Serves 27,500 customers in the City of Holland and surround townships
- ▶ Electric revenue: 82% Commercial/Industrial
- ▶ Currently uses waste heat to melt snow from 10 acres of streets and sidewalks in shopping district



Holland's Community Energy Plan

- ▶ Goals
 - GHG per capita from 24 to 13 metric tons by 2050
 - Maintain competitive rates
 - Attractive to business development

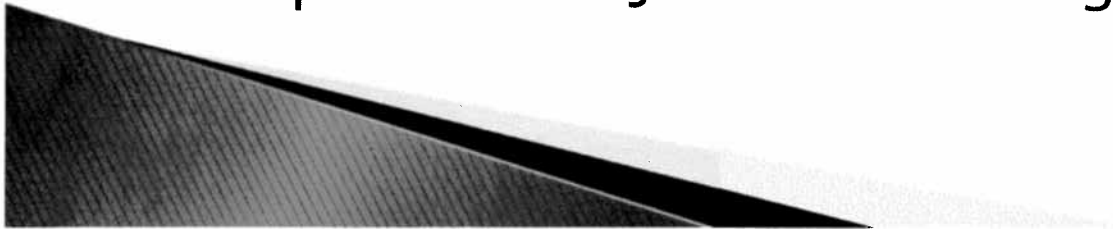
- ▶ Seven task forces underway implementing strategies to achieve the goals
 - Electric Generation
 - District Energy
 - Home Energy Retrofits
 - Commercial/Institution Building Efficiency
 - Building Labeling
 - Industrial Bundle of Energy Services
 - Education and Outreach




Holland Electric Generation

- ▶ Performed a Sustainable Return on Investment Analysis
 - Considered financial and non-financial impacts of generation options


- ▶ Staff recommendations approved by Board and City Council in December 2012
 - Develop and build 114 MW NG Combined Cycle
 - Complete PPA for 32 MW of wind
 - Let upcoming regulations determine fate of coal operation at James De Young



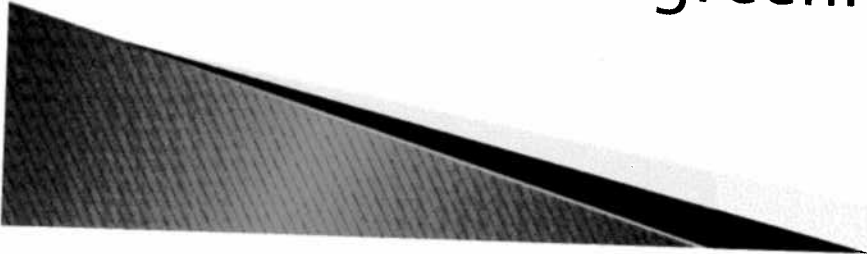
Holland's Combined Cycle Plant

- ▶ Site Selection in Progress
 - ▶ COD planned for December 2016
 - ▶ Displaces James De Young coal (150K tons/year)
 - ▶ Will produce enough waste heat to increase snow melt area 4–5 times
 - ▶ Plan to use low temp water to drive geothermal heat pump usage in buildings
 - ▶ Evaluating high temp (200 °F) water service to Hope College
- 

Lansing Board of Water & Light

- ▶ Michigan's largest municipally owned electric utility
 - ▶ Serve the Lansing metropolitan area with electricity, water, central steam and chilled water
 - ▶ Board of Commissioners appointed by Mayor and confirmed by City Council
 - ▶ Board members represent diverse population
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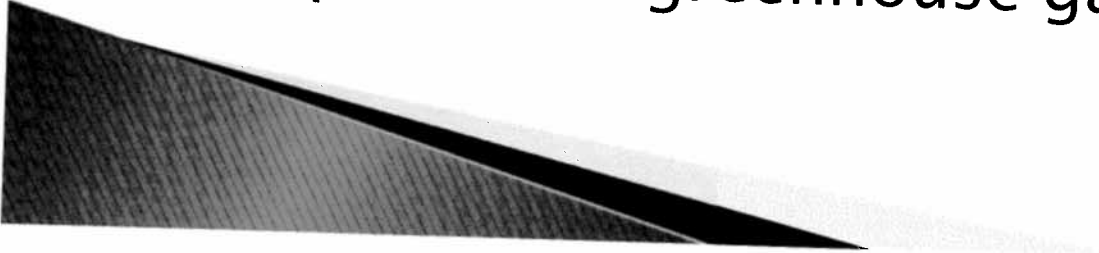
Environmental Commitment

- ▶ Michigan's first utility renewable energy portfolio standard
 - ▶ Michigan's first comprehensive energy efficiency program
 - ▶ Michigan's largest solar energy array at time installed
 - ▶ Reduction of greenhouse gases 20% by 2020
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Planning Process

- ▶ *Comprehensive planning process*
 - Reliability
 - Environmental Stewardship
 - Affordability
- ▶ *2008 IRP*
 - Proposed replacement of Eckert electric generating plant
- ▶ *IRP recommendations reviewed by Citizen Task Force*
- ▶ *Task Force held several public meetings, took input from community and made recommendations*
 - Affirmed planning criteria of affordability, reliability, and environmental stewardship
 - Delay decision due to economic downturn and GM bankruptcy
 - Consider alternative generation technology

REO Town Plant

- ▶ Natural gas combined cycle cogeneration plant
 - Produces steam for central steam loop
 - Generates electricity for electric customers
 - ▶ Highly efficient/low emission plant
 - Reduces coal use by over 138,000 tons per year
 - Reduces mercury and SOx by over 99%
 - Reduces NOx by over 95%
 - ▶ Contributes significantly to generation reliability within the BWL's service territory
 - ▶ Complements renewable energy options
 - ▶ Helps reduce greenhouse gas emissions 20%
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Thank You!

Questions?

